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GINNIE MAE SUMMIT

THE POWER OF PARTNERSHIPS
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GinnieMae

Our Guaranty Matters

Document Custodian Update

Self and Affiliated Custodian Reporting Structures

Self Custodians

- Trust Powers from regulator
- Trust Department Reporting Structure

Affiliated

- If no Trust Department must provide evidence of vertical independence from issuer

Appendix V

Document Custodian Manual

Estimated publication date—by end of 2014

Effective date

- 6 months from publication

Changes to chapters

- 2 Eligibility
- 3 Single Family Pools
- 7 Operational Procedures
- 9 FAQs

Appendix V

Document Custodian Manual

Changes as published April 2013

- 1 Glossary
- 5 Construction Loan Pools
- 6 Project Loan Pools

Chapters to be addressed in future revisions

- 4 Manufactured Home Pools
- 8 Third Party Compliance
- 10 Home Equity Conversion Mortgage Pools

Chapter 2

Eligibility Requirements

Removing obsolete fire rating language

- All vaults must be 2 hour fire rated

Updating knowledge of Ginnie Mae Programs

Updating disaster recovery plan requirements

Affiliate Custodian

- Adding language stating the custodian must be physically separate from the issuer
- Must still be vertically independent

Chapter 2

Eligibility Requirements

New Custodian

- Adding language stating that subsequent to providing eligibility documentation a site visit may be required

Chapter 3

Single Family Pools

Lost Instrument Bond

- LIB generally not acceptable
- LIB may be used for prior notes in CEMAS & for note executed at time the loan was made (but not for the note being pooled)
- Insurance or surety company must be unaffiliated

Borrower Power of Attorney Required

- Must be active, valid, and enforceable for the transaction (real estate transactions, dollar limits)

Chapter 3

Single Family Pools

Living Trust

- Trustee and borrower signatures required

Replace “if required” with “if present” from numerous sections

- Custodians need only verify notary & recording information is complete if the document provides for such

Chapter 3

Single Family Pools

Intervening Assignments required if not registered to MERS

Blanket Intervening Assignments may apply across pools.

- Copies maintained in the Pool Master Files
- Originals maintained in the Issuer Master File

Chapter 3

Single Family Pools

Modifications

- Subordinations – must be recorded
- Original recorded security instrument
 - If modified less than 1 year from origination a certified true copy sent for recording
 - If modified 1 year or longer the original recorded security instrument
 - Modifications for properties located in Puerto Rico not required to be recorded
- ALTA form MPG acceptable

Chapter 3

Single Family Pools

Final Certification

Loans Released for bankruptcy, foreclosure, loss mitigation

- 11708 plus issuer certification form may be used for final certification provided
 - Documents present prior to release
 - Form signed by issuer and current holder
 - Reason file cannot be returned and current file location

Chapter 3

Single Family Pools

Final & Re-Certification

Restoring Final Certification language for R&W issuers

CEMAs

- Changing the requirement to provide originals for prior consolidated mortgages
 - Copies of signed and recorded mortgages

Chapter 3

Single Family Pools

Re-Certification

Loans deregistered from MERS must be recertified using the hard copy process

- Verify Assignments to MERS, and from MERS to current Issuer

Chapter 7

Operational Procedures

Transfer of issuer responsibilities

- Ginnie Mae's authorization approval may consist of the assignment agreement and pool exhibit provided to issuers via the Portal
 - Applies to both MSR and PIIT transfer

Copies of Issuer Master files

- To be provided to new custodian if not all of an issuer's pools are transferred

Custodian Mergers or change of location must be approved

Chapter 7

Operational Procedures

Requirements for Flow (Pre) Certification

- Data compare of tracking system to GinnieNet data
- Allocation check

Next Steps

Internal Concurrence

Publication

MBS Guide update to reflect changes

Compliance Reviews

High Risk

- Fire rating
- Custodian staff on 11702 as authorized signors
- Signors of 11711B not on 11702

Medium Risk

- Disaster recovery plan doesn't include independent testing

Low Risk

- Allonges not original, affixed, or contain references
- Form 11708 incomplete or incorrect
- Title policy missing from final certified file
- Fidelity Bond insurance missing loss payee language

Q & A